

Message Text

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12

ACTION XMB-07

INFO OCT-01 EA-11 ISO-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 OPIC-12 SPC-03

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R 210746Z NOV 73

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 1189

USDOC WASHDC

UNCLAS SEOUL 7844

FOR EXIMBANK

E.O. 11652: N/A

TAGS: BEXP, KS

SUBJECT: ROKG PROMOTES \$30 MILLION SPECIAL STEEL PLANT

1. ROKG HAS ESTABLISHED KOREA SPECIAL STEEL CO., LTD. (KOSSTEEL) IN ITS EFFORT TO PROMOTE MANUFACTURE OF SPECIAL STEELS TO MEET REQUIREMENTS OF DEVELOPMENT OF MACHINE INDUSTRY.

2. PROJECT WAS INITIATED WITH STUDY BY KOREA INSTITUTE OF SCIENCE AND TECHNOLOGY WHICH WAS SUBMITTED TO ROKG ON AUGUST 1, 1972. ON NOVEMBER 6, 1972 PRESIDENT PARK ISSUED DECISION MEMORANDUM CALLING FOR ESTABLISHMENT OF SPECIAL STEEL PLANT. KOSSTEEL WAS THUS FOUNDED WITH RETIRED MAJOR GENERAL LEE GEUN-YANG AS PRESIDENT.

IT WAS CAPITALIZED BY KOREA DEVELOPMENT BANK AND WITH ASSETS (PRINCIPALLY LAND AND BUILDING IN BUSAN) OF INSOLVENT HAN LIP SPECIAL STEEL WHICH WAS IN HANDS OF KDB. PAID IN CAPITAL IS WON 454.6 MILLION. (WTDR: 11/73).

3. KOSSTEEL IS NOW OPERATING FORMER HAN LIP PLANT IN BUSAN, BUT MAIN PLANT WOULD BE LOCATED IN NEW CHANG WON MACHINE INDUSTRIAL AREA. TOTAL CAPACITY WOULD BE 20,000 M/T AT CHANGWON OF SPECIAL STEELS. PROJECT PLAN BEING POUCHED TO EXIM BANK UNDER REG.

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NO. 583602.

4. PROJECT WOULD REQUIRE ABOUT \$15 MILLION IN FOREIGN EXCHANGE AND ABOUT SAME AMOUNT IN WON FOR DOMESTIC COSTS. IT WOULD ALSO REQUIRE TECHNICAL TECHNOLOGY AND TECHNICAL ASSISTANCE. IN THIS RESPECT, WE UNDERSTAND THAT CARPENTER INTERNATIONAL HAS BEEN CONTACTED BY KOSSTEEL AND PLANS TO VISIT SEOUL SOON TO DISCUSS POSSIBILITIES OF COLLABORATION.

5. IN VIEW OF CARPENTER'S INTEREST AND FACT THAT KOSSTEEL HAS NOT ASKED US FOR ASSISTANCE RE TECHNICAL COLLABORATION, WE SUBMIT THIS REPORT PRIMARILY FOR INFORMATION AND POSSIBLE USE IN EVALUATING PROJECT IN FINANCING PURCHASES OF U.S. EQUIPMENT.

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Message Attributes

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Draft Date: 21 NOV 1973
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Decaption Note:
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Disposition Approved on Date:
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Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
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Drafter: n/a
Enclosure: n/a
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Film Number: n/a
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30 JUN 2005

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